

SWEDEN

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SWEDEN - MERCHANT SHIPPINGA. POLICIES

1. The basic policy of Sweden with respect to merchant shipping is to encourage private interests in such operations with as little state control as possible. All aspects of merchant shipping policy are formulated by the individual operators. State controls are invoked only in matters of the national interest.
2. Merchant shipping policy does not reflect considerations of a political or military nature. Economic considerations are dominant in the attitude of Sweden toward merchant shipping.
3. Swedish policy permits private ownership of merchant shipping and relatively little government aid is given to such operators. Ship construction, however, is aided by government loans or loan guarantees. Concessions to ship owners permit accelerated depreciation of vessels in evaluation for tax purposes, and include minor benefits to promote domestic ship construction. Other forms of government aid to Swedish operators include mail subsidies and reservation of the coastal trade to Swedish-flag vessels. It is believed that no change in the policies outlined above are contemplated in the immediate future.
4. The government does not require that construction of Swedish-flag vessels be undertaken in Swedish yards, nor does it require that Swedish ship operators use Swedish-built vessels. Such requirements on the part of the state are considered to be unnecessary since Sweden has a long record of efficient and low-cost shipbuilding. However, it should be noted that all large Swedish vessels, such as the luxury liners, are built abroad, since Swedish yards are not equipped to construct vessels in that category. Government restrictions on the use of foreign labor either in the construction or operation of merchant shipping also is unnecessary as Swedish sailors and shipbuilding personnel are accounted among the best in the world. There is, however, a legal requirement that Swedish citizens must constitute two-thirds of the crew of Swedish flag vessels, and this requirement is rather closely checked both in home ports and by Consuls abroad. The government has recently imported foreign labor, both skilled and unskilled from outside Sweden, notably Italy, in order to meet a critical shortage of manpower. The shipbuilding industry, however, has objected to the importation of Italian labor and has made strong recommendations that German technicians, more familiar with Swedish construction methods, be furnished.
5. Sweden is a party to numerous international agreements concerning shipping. Sweden, in fact, has led the way in promulgating such agreements, and has been particularly active in promoting shipping between northern and western European countries; an example of this is their active participation in the Baltic Conference and in the North Atlantic Freight Conference.

RESTRICTED

RESTRICTED

SWEDEN - MERCHANT SHIPPING (A-6)

6. Merchant shipping policies are not coordinated with those of civil aviation, but the policy of freedom of the seas, traditional with Sweden, has been matched by a policy of freedom of the air, insofar as Sweden has received the cooperation of other states.
7. There is no state policy against ownership of air lines by shipping companies, nor is there any restriction against participation of shipping companies in such undertakings. With respect to the integration of such operations, it should be noted that 40 per cent of the capital of SILA (Swedish Intercontinental Air Lines) is owned by several shipping companies, particularly the Swedish-American, Swedish Lloyd, and Johnson Lines. The Swedish Government, furthermore, has recently approved the operation of a new air line which will be directed by Aero Lloyd, an affiliate of Swedish Lloyd. It is not likely, however, that Swedish maritime interests will enter the field of aviation, to any large extent, except on a minority stock basis.

B. ORGANIZATION

1. The agencies of the government concerned with merchant shipping are:

The Ministry of Commerce
The Ministry of Foreign Affairs
The Ministry of Communications

2. The Ministry of Commerce, which administers policies with respect to trade, industry and shipping, also directs merchant shipping, as distinguished from coastal and inland shipping. The Ministry of Commerce also integrates all aspects of merchant shipping with the domestic transport policies formulated by the Ministry of Communications. However, the Ministry of Communications directs coastal and inland shipping together with other forms of inland transport. Questions of international shipping policy also come within the authority of the Ministry for Foreign Affairs.
3. The Ministry of Commerce and the Ministry for Foreign Affairs are autonomous within their own spheres, being subject only to control, direction and coordination by the action of the Prime Minister of the Riksdag. There is no direct administrative relationship between the above-mentioned Ministries and the Ministry of Communications, which deals with domestic transport problems. However, all the activities of the three Ministries are subject to overall coordination in the national interest. There appears to be no administrative conflict or overlapping other than the normal and unavoidable operational overlapping of the various media of transport.
5. Both the Ministry of Commerce and the Ministry for Foreign Affairs are considered to be operating efficiently in the public interest with respect to the various problems of merchant shipping.

RESTRICTED

SWEDEN - MERCHANT SHIPPING (C-1)

C. ADMINISTRATION

1. It is necessary only for operators to announce their intention of establishing such services, and to secure the approval of both the Ministry of Commerce and the Ministry for Foreign Affairs, inasmuch as state policies may be affected by the establishment of proposed services.
2. Shipping rates are determined by the individual operators. The Swedish Government vigorously supports the activities of its nationals in the formulation of international rate agreements, since it is to the advantage of Sweden, having substantial maritime interests, to promote stabilization of world shipping rates.
3. The state follows a policy of non-interference with respect to competition and will intervene only in instances where such competition is inimical to the national interest. It should be noted, however, that if a Swedish flag line were to become bankrupt, or otherwise suspend operations through other financial difficulties, it is likely that the state would intervene to continue operations for reasons of prestige and trade position on the route in question. Swedish operators may participate in such international shipping pools as they see fit. The Swedish Government and individual Swedish operators are parties to many international agreements concerning traffic, facilities and rates.
4. Rules and regulations concerning safety and inspection of merchant shipping facilities are under the jurisdiction of the Board of Trade of the Ministry of Commerce. Vessels of the Swedish merchant marine must meet standards of construction and operation as laid down by the Ministry of Commerce which is responsible for establishing and enforcing such regulations. Safety regulations are set forth by law and enforced by the Board of Trade. Ship inspectors make their reports to the head offices of the Board. Standards are roughly comparable to US and British standards, with the exception that Swedish regulations are less strict on fire-proofing than is the US. In case of accidents, the Master makes a report to the Board of Trade and there is a complete investigation.
5. The Swedish Government, at the present time, is establishing several training schools for merchant marine technicians. These schools will be supported largely with state funds. In addition to these contemplated schools, the Board of Trade presently operates four schools offering training in navigation. The Board is also responsible for establishing specifications for licensing of technicians and enforcing such regulations. Student personnel will be selected on the basis of qualifications laid down by the state and must meet state proficiency requirements before being licensed as deck officers and engineers. These state requirements conform to established world standards.

RESTRICTED

SWEDEN - MERCHANT SHIPPING (C-6)

6. The government requires shipping operators to submit annual reports which include comprehensive statistics on all aspects of operations as well as financial statements. Such requirements are not peculiar to the shipping industry, since the government requires the filing of such reports by all corporations.

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